



**Date:** January 20, 2004  
**To:** Redevelopment Agency Board Members  
**From:** Melanie S. Fallon, Executive Director  
**Subject:** **Independent Study of Redevelopment**

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At the January 12, 2004, Redevelopment Agency Board meeting, Board Members discussed the proposed Independent Study of Redevelopment in Long Beach. The Redevelopment Agency Board decided to hold a series of study sessions, to be held outside of the regular board meetings, to discuss the Independent Study. The first study session would focus on the creation of a Scope of Work for an Independent Study. Staff has prepared a Conceptual Plan to provide a starting place for the discussion of the Scope of Work. The Conceptual Plan has been revised to incorporate PAC recommendations (Exhibit A). The Redevelopment Agency asked staff to determine a time and place for the meetings and to create a timeline for the creation of an Independent Study of Redevelopment (Exhibit B).

During public comment, Lewis Lester read the contents of a letter to the Redevelopment Agency that contained six demands (Exhibit C). The Chair of the North Project Area Committee suggested that one or more of the study sessions on the Independent Study occur at night so that more members of the public could attend.

A board member recommended that the City Auditor's suggestions should be included in the Independent Study. Staff will provide Independent Study documents to the City Auditor on an ongoing basis and solicit his recommendations.

MSF:OWG:owg

**Attachments:** Exhibit A – Conceptual Plan  
Exhibit B - Timeline  
Exhibit C – Letter from Lewis Lester

**cc:** Project Area Committee Officers  
Gary Burroughs, City Auditor  
Reginald I. Harrison, Deputy City Manager  
Barbara A. Kaiser, Manager, Redevelopment Bureau  
Otis W. Ginoza, Redevelopment Administrator

# Conceptual Plan for Independent Study of Redevelopment

## Draft – January 20, 2004

A Request for Proposals (RFP) to conduct an Independent Study of Redevelopment in Long Beach should be prepared. The RFP should specify that the consultant team include at least one member with extensive experience in California redevelopment.

### Conceptual Plan

1. Review past and present practices of the Redevelopment Agency of the City of Long Beach.
2. Conduct a thorough review and evaluation of Redevelopment strategies and techniques including pros and cons. Public participation strategies should also be reviewed.
  - What strategies/practices have been most successful?
  - What strategies/practices have been least successful?
  - How were they evaluated?
  - Potential formulas recommended to implement strategies.
3. Determine what strategies/practices are applicable to the City of Long Beach based on situational and demographic similarity. Use this to identify a list of relevant “best practices”.
4. Conduct a comparative analysis between Long Beach practices and those determined to be “best practices”.
  - Identify shortcomings.
  - Identify successes.
5. Identify and review methods for evaluating future projects.
6. Identify and review methods of public participation that might enhance the redevelopment process.
7. Determine which strategies/practices would be beneficial to the City of Long Beach.
8. What steps would be needed to implement strategies/practices determined to be beneficial?

9. The issues of Merger and Expansion

- What are the consequences of Merging the project areas, pro and con.
- Will merger lead to greater success of and/or more expedient completion of redevelopment projects in Long Beach?

# Timeline for Independent Study of Redevelopment

## First Draft – January 20, 2004

### December

- Board reviews first draft of consultant list and conceptual plan.

### January

- (January 12) Agency Board discusses how to proceed with the Independent Study of Redevelopment and determines to hold Special Meetings on off-meeting dates.
- (January 20) Agency Board holds Special Meeting to discuss concepts to be included in a Scope of Work and reviews first draft of Independent Study timeline.
- (January 20) Agency Board discusses dates for future meetings to discuss the Independent Study.

### February

- Agency Board holds study session to discuss first draft Scope of Work and list of consultants.
- Agency Board holds night meeting to discuss Request for Proposals (RFP), Scope of Work and List of Consultants.

### March

- Agency Board approves the release of the RFP including Scope of Work to approved list of consultants.

### June

- RFP proposals due.
- Copies of proposals are sent to Agency Board and PAC officers and copies of proposals are made available at public libraries.
- Agency Board takes public comment on proposals and then selects top proposers for interviews.

### July

- Top proposers make presentations to Agency Board.
- Agency Board takes public comment and then selects consultant.

134 E. Hill Street  
Long Beach, CA 90806

January 12, 2004

Redevelopment Agency Board  
City of Long Beach  
333 West Ocean Blvd.  
Long Beach, California 90802

Dear Board Members:

**Citizens Against Redevelopment Merger and Expansion** is opposed to a study of redevelopment led by the Redevelopment Agency Board. We believe that an "Independent Study of Redevelopment" as previously described by the Agency's staff, and most recently, as outlined in a January 12, 2004 memorandum from Melanie Fallon (Exhibit B) is unnecessary. It is our opinion that the draft conceptual plan is seriously flawed and reflects an inherent bias that will hinder a truly independent inquiry, and ultimately prove to be a waste of taxpayer dollars.

If you are genuinely interested in learning how redevelopment is practiced in Long Beach, and who has consistently been among the winners and losers as a result of those practices, then you will meet the follow six demands:

1. Rescind the Board's 12/15/03 motion making the RDA Board the "Steering Committee";
2. Request the Office of the City Auditor develop and issue an RFP for a Performance Audit of the Redevelopment Agency, and a Forensic Audit of the Redevelopment Agency's contracting practices, disposition of housing set-aside funds, use of bond revenues, and transfers to the general fund;
3. Prohibit Agency staff from participating in the development of the selection criteria that will be used to select the Consultant(s) hired to conduct these audits;
4. Ensure that the selection of the Consultant(s) is made by a 7-member committee that consists of: *three* RDA Board members, *three* PAC Chairs, and the City Auditor;
5. Ensure that the Project Area Committees have a 30-45 day period to review the Final Draft of the Independent Study, separate from and prior to the general public review/comment period; and
6. Ensure that each of the three Project Area Committees are allowed to submit a statement or response (up to 5,000 words) for inclusion in the official report prepared by the Independent Study Consultants – as addendum or exhibits.


If you are willing to accept this challenge and meet these demands, you will be working in the public's interest and will significantly improve your chances of receiving an independent assessment of the Agency's policies, procedures, and its utilization of redevelopment resources. More importantly, you will likely end up with a

number of recommendations for improving the Agency's internal control structure and eliminating the operational inefficiencies that currently expose the Agency and taxpayers to fraud, waste and abuse.

If you continue to move down the road that the Agency staff has outlined for you, you can be certain that the public will be reminded that this Board had several opportunities to show itself to be truly independent of the City Council and the City Manager, but instead, was willingly led astray by a team of overpaid bureaucrats that would be in good company with the likes of former Enron executives Andrew Fastow and Jeffrey Skilling.

Please table discussion of the draft conceptual plan and consider a motion to request the City Auditor take responsibility for initiating an independent study of redevelopment.

Sincerely,

A handwritten signature in black ink, appearing to read "Lewis Lester", with a stylized, flowing script.

Lewis Lester,  
Chair

Citizens Against Redevelopment Merger and Expansion